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MACROECONOMIC POLICY QUESTIONS: FINANCING OF DEVELOPMENT

Philippines*: draft resolution

Sources for the financing of development

The General Assembly,

Reaffirming the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, contained in the annex to its resolution S-18/3 of 1 May 1990, and the International Development Strategy for the Fourth United Nations Development Decade, contained in the annex to its resolution 45/199 of 21 December 1990,

Recalling its resolution 45/234 of 21 December 1990, on the implementation of the commitments and policies agreed upon in the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries and other resolutions in the field of international economic cooperation,

Recalling also its resolution 48/187 of 21 December 1993, particularly as it relates to the decision to continue to explore the issue of the financing of development and its potential funding sources,

Affirming that official development assistance remains crucial and a major source of external financing for many developing countries and thus is an

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* On behalf of the States Members of the United Nations that are members of the Group of 77 and China.

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integral part of international cooperation on concrete issues in the economic, environmental and social fields to support plans and priorities of developing countries in achieving sustained economic growth and sustainable development,

Recalling the commitments made by the developed countries in various international conferences and summits held during the 1990s to provide adequate, predictable, new and additional financial resources for the sustained economic growth and sustainable development of developing countries,

Noting that the peace dividend has not materialized in the form of additional financial flows to developing countries, and expressing the need for the reallocation by developed countries of resources freed from military purposes arising from the end of the Cold War towards productive development purposes in support of existing international commitments for development,

Noting also the report of the Secretary General on the financing of development, 1/

1. Affirms the urgent need to reverse the persistent decline in overall flow of official development assistance and to provide new and additional resources for financing the development of developing countries, including poverty eradication, so as to achieve a higher quality of life for all;

2. Calls upon the developed countries to fulfil fully by the year 2000 the internationally agreed target of 0.7 per cent of gross national product for official development assistance and the target of 0.15 per cent of the donor countries' gross national product in favour of the least developed countries;

3. Stresses the need for the international community, particularly the developed countries, to fulfil the commitments contained in the financial recommendations of Agenda 21 2/ in providing adequate, predictable, new and additional financial resources, so that the efforts of developing countries are not severely constrained in implementing the recommendations of Agenda 21 and in order not to undermine the basis of the global partnership for sustainable development;

4. Stresses also that the international community, in particular the developed countries, must honour the financial commitments undertaken in the context of the International Conference on Population and Development and other international conferences in the recent past in order to strengthen the basis for a global partnership for sustainable development;

1/ A/50/397.

2/ Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992 (A/CONF.151/26/Rev.1 (Vol. I and Vol. I/Corr.1, Vol. II, Vol. III and Vol. III/Corr.1)) (United Nations publication, Sales No. E.93.I.8 and corrigenda), vol. I: Resolutions adopted by the Conference, resolution 1, annex II.

5. Calls for complete fulfilment of the commitments under the International Development Association tenth replenishment and to accelerate the negotiations for its eleventh replenishment at a significantly higher level in real terms in view of the growing development needs of developing countries, including those arising from commitments made by the international community at the World Summit for Social Development in Copenhagen to eradicate poverty as an ethical, political, economic and social imperative;

6. Calls also for a substantial augmentation of the resources of the International Monetary Fund so as to enable it to fulfil its functions better in the face of new challenges in a world of growing globalization and interdependence and to enable the Enhanced Structural Adjustment Facility to become a permanent window;

7. Stresses the necessity for the international community, especially the developed countries, to create a favourable international environment to reduce volatility in private capital flows to developing countries and to enhance their growth-promoting role through, inter alia, the expansion of productive capacities in developing countries, to support their efforts to achieve sustained economic growth and sustainable development;

8. Calls for the replenishment of and a substantial increment in the resources of regional development banks in order to enhance their role in the promotion of the economic and social development of their respective regions;

9. Stresses further the need to improve market access and terms of trade of developing countries so as to enable them to realize additional resources and support their efforts in achieving sustained economic growth and sustainable development;

10. Urges the developed countries to provide adequate support for expanding the resource base for operational activities of the United Nations system so as to ensure that the United Nations becomes a credible and effective partner in development whose activities are clearly oriented towards development and so as to provide an effective development perspective to other areas of United Nations activity;

11. Invites the developed countries to examine the possibility of utilizing resources released as a result of the end of the Cold War and the decline of military expenditures in support of the efforts of developing countries to achieve sustained economic growth and sustainable development;

12. Further invites the developed countries to explore the possibilities of reallocating resources from their subsidies, particularly those to agricultural production, to augment the sources of financing the development of developing countries and to support international commitments for development;

13. Underscores the need to explore other additional and innovative sources of the financing of development of developing countries, with a view to identifying support measures for the enormous requirements of developing countries for the financing of development;

14. Decides to convene in 1998 an international conference on the financing of development, at the highest possible level of participation, to take stock of the implementation of internationally agreed commitments and recommendations relating to the financing of development and of follow-ups to various international conferences and summits held since 1990, which, among other things, called for adequate, predictable, new and additional financial resources, so that developing countries might be provided with adequate support to achieve sustained economic growth and sustainable development;

15. Requests the Secretary-General to report to the General Assembly at its fifty-second session on the implementation of the present resolution and the preparations required for the convening of an international conference on the financing of development.